GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3655
ANSWERED ON:25.08.2006
IRREGULARITIES IN GENERAL INSURANCE COMPANIES
Patle Shri Shishupal Natthu;Shiwankar Shri Maha Deo Rao

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of irregularities committed by the general insurance companies towards customers;

(b) if sp, whether the Government :.S contemplating the determine the functioning of the insurance companies a fresh ;

(c) if so, whether the draft paper has been prepared in this regards; (rl) whether the insurance companies are misleading the customers; and

(e) if so the details of such companies ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e): Insurance Regulatory & Development Authority (IRDA) has reported that general insurance companies offer various non- life insurance covers such as fire insurance, marine insurance, motor insurance, health insurance etc. It is possible that some policy holders may have complaints regarding servicing of their policy by companies. One cannot generalize that general insurance companies are committing irregularities towards customers. Every complaint made by a customer is looked into and addressed on its merits. A `grievances cell` at IRDA looks into specific complaints received from policy holders.These complaints are taken up with insurance companies for examination/re-examination.Besides this, there exists an independent mechanism of `Ombudsman `Commmer Redressal Fora` and `judicial courts` to redress the grievances at the district, state and national leve1. However, the Government has taken effective steps to monitor the functioning of the companies on the basis of a set of qualitative and quantitative parameters which inter-alia include settlement of claims, comJ: letion of targets and emphasis on customer relations management (CRM).